



OPERATIONS MEMO

Update of the California Student Aid Commission

January 14, 2013

GOM 2013-02

TO: Financial Aid Administrators

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SUBJECT: Cal Grant At-Risk Reimbursement Program

The California Student Aid Commission (Commission) is providing this Operations Memo as an update to the At-Risk Reimbursement Program.

Article VII of the Institutional Participation Agreement (Agreement) specifies that if the Commission determines that an institution has failed to comply with its obligations, the Commission may implement corrective measures in an attempt to bring the institution into compliance. These institutions may be deemed "at-risk" and placed in the At-Risk Reimbursement Program, making their Cal Grant qualifying status provisional.

If an institution is placed in this program, the following corrective measures will be imposed:

- The at-risk institution will no longer benefit from term advances. The Commission will approve disbursement of Cal Grant funds after the institution has verified a student's eligibility and has posted the payment onto WebGrants.
- The at-risk institution must maintain Cal Grant funds in a separate bank account.
- The at-risk institution must submit documentation to the Commission, such as account/student ledgers, within two weeks of disbursement to confirm that each student has received Cal Grant funds as posted in WebGrants.

Institutions will be notified in writing prior to implementation of corrective measures. While in the program, the Commission will monitor the institution's provisional status and will update the institution about any changes.

If an institution fails to abide by the corrective measures, the Commission may terminate an institution's Agreement, which would therefore terminate the institution's participation in the Cal Grant Programs.

Please refer any questions to Jennifer Uдах at judah@csac.ca.gov or (916) 464-8038, or to LeAnn Henkle at lhenkle@csac.ca.gov or (916) 464-8107.



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